

**MARIA ELLENA CHAVEZ-RUARK, U.S. BANKRUPTCY JUDGE**

Evidentiary Hearing: YES  
Exhibits Filed: YES

**PROCEEDING MEMO – CHAPTER 11**

**Case: 23-13736-MCR** Date: 06/01/2023 at 2:00 p.m.  
**ZIP MAILING SERVICES, INC.**

Appearances: Christopher L. Hamlin, counsel for Debtor  
Stephen A. Metz, Subchapter V Trustee (by phone)  
Lynn A. Kohen, Office of the United States Trustee

Also present: Darryl Jackson, Jr., President of Debtor

[7] Motion to Use Cash Collateral, Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361 and 363 and Scheduling a Final H Filed by ZIP Mailing Services, Inc.. (Attachments: # 1 Exhibit Exhibit A - UCC-1 Financing Statement # 2 Exhibit B - Budget # 3 Proposed Order)

[14] Objection on behalf of US Trustee - Greenbelt Filed by Lynn A. Kohen (related document(s) 7 Motion to Use Cash Collateral filed by Debtor ZIP Mailing Services, Inc.).

[8] Motion to Pay Pre-Petition Wages,, Salaries and/or Other Compensation Filed by ZIP Mailing Services, Inc.. (Attachments: # 1 Exhibit Payroll Ledger # 2 Proposed Order)

**COMMENTS:** Darryl Jackson, Jr. testified, and the Court admitted Debtor's Exhibits 1-5 and UST's Exhibits 1-2.

The Court found that the Debtor would be irreparably harmed if it is not permitted to use cash collateral on an interim basis through 6/6/23. The Debtor may use cash collateral to pay the following expenses in the budget, which the Court found are necessary to avoid irreparable harm: (i) payroll \$11,673 (due 6/2/23), (ii) independent consultant's fees \$298.25 (1/4 of the monthly amount), (iii) Newco adequate protection payment \$980, (iv) payroll expenses \$1,175.25 (1/4 of the monthly amount), (v) office rent \$8,832, (vi) utilities \$2,787, (vii) copies, paper and envelopes \$4,740 (1/2 of the monthly amount), and (viii) auto/maintenance/gas \$500. The Debtor may pay additional amounts and/or expenses if there is an extraordinary need and the UST and Sub V Trustee consent.

The Debtor will submit a new budget (broken down weekly) prior to the next hearing.

The Debtor must provide a copy of the cash collateral order by email or overnight delivery to the four parties claiming to have a lien on cash.

**DISPOSITION:** Hearing held. Prepetition wages motion [8] granted. Cash collateral motion [7] granted with limitations. Next cash collateral hearing 6/7/23 at 2:30 p.m. (in person).